

## Final Rule

LSA Document #13-533(F)

## DIGEST

Amends [405 IAC 2-1-1](#) concerning definitions. Amends [405 IAC 2-1-2](#) regarding interviews for aged, blind, and disabled applicants to the Medicaid program. Adds [405 IAC 2-1.1](#) to implement a change in the method of determining Medicaid eligibility for aged, blind, and disabled individuals. Amends [405 IAC 2-2-2](#) to incorporate the federal standards for determining blindness. Amends [405 IAC 2-2-3](#) to incorporate the federal standards for determining disability. Amends [405 IAC 2-2-4](#) regarding payment for examinations and tests. Amends [405 IAC 2-3-14](#) to clarify the methodology for counting applicant resources. Amends [405 IAC 2-3-17](#) regarding treatment of income for institutionalized applicants with a community spouse. Amends [405 IAC 2-3-22](#) regarding the treatment of Miller trusts. Amends [405 IAC 2-9-1](#) through [405 IAC 2-9-4](#), [405 IAC 2-9-6](#), and [405 IAC 2-9-7](#) to align with new eligibility criteria for Medicaid for employees with disabilities. Repeals [405 IAC 2-3-3](#), [405 IAC 2-3-10](#), [405 IAC 2-3-11](#), [405 IAC 2-3-13](#), [405 IAC 2-3-15](#), [405 IAC 2-3-18](#) through [405 IAC 2-3-21](#), [405 IAC 2-6-1](#), [405 IAC 2-7-1](#), and [405 IAC 2-7-2](#). Effective 30 days after filing with the Publisher.

[405 IAC 2-1-1](#); [405 IAC 2-1-2](#); [405 IAC 2-1.1](#); [405 IAC 2-2-2](#); [405 IAC 2-2-3](#); [405 IAC 2-2-4](#); [405 IAC 2-3-3](#); [405 IAC 2-3-10](#); [405 IAC 2-3-11](#); [405 IAC 2-3-13](#); [405 IAC 2-3-14](#); [405 IAC 2-3-15](#); [405 IAC 2-3-17](#); [405 IAC 2-3-18](#); [405 IAC 2-3-19](#); [405 IAC 2-3-20](#); [405 IAC 2-3-21](#); [405 IAC 2-3-22](#); [405 IAC 2-6-1](#); [405 IAC 2-7-1](#); [405 IAC 2-7-2](#); [405 IAC 2-9-1](#); [405 IAC 2-9-2](#); [405 IAC 2-9-3](#); [405 IAC 2-9-4](#); [405 IAC 2-9-6](#); [405 IAC 2-9-7](#)

SECTION 1. [405 IAC 2-1-1](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-1-1](#) Definitions**

**Authority:** [IC 12-13-5-3](#); [IC 12-13-7-3](#); [IC 12-15-1-10](#)

**Affected:** [IC 12-15-4](#); [IC 12-15-5](#)

Sec. 1. **(a) The definitions in this section apply throughout this article.**

~~(a) As used in this article;~~ **(b) "Applicant"** means the person for whom medical assistance is requested.

~~(b) As used in this article;~~ **(c) "Dependent child"** means a nonrecipient child:

**(1)** under eighteen (18) years of age; or

**(2)** between eighteen (18) and twenty-one (21) years of age and a student regularly attending a school, college, or university, or a course of vocational or technical training designed to prepare him or her for gainful employment.

A dependent child must be the biological or adoptive child of the applicant or recipient or the biological or adoptive child of the applicant's or recipient's parent.

~~(c) As used in this article;~~ **(d) "Essential person"** means a person who:

**(1)** is not the applicant's or recipient's spouse or parent; ~~who~~

**(2)** lives in the place of residence of the applicant or recipient; and ~~who~~

**(3)** is considered by the applicant or recipient to be essential to his or her well-being because he or she provides services to the applicant or recipient ~~which that~~ would have to be paid for otherwise.

**(e) "Institution" means a Title XIX certified hospital, nursing facility, intermediate care facility for the mentally retarded, or public institution. It does not include a facility where FFP is not available under 42 CFR 435.1009.**

~~(d) As used in this article;~~ **(f) "Nonrecipient"** means a person who is not receiving medical assistance.

~~(e) As used in this article;~~ **(g) "Parent" or "parents"** means the biological or adoptive **parent or** parents living with an unmarried applicant or recipient who is either:

**(1)** under eighteen (18) years of age; or

(2) between eighteen (18) and twenty-one (21) years of age and a student regularly attending a school, college, or university, or a course of vocational or technical training designed to prepare him or her for gainful employment.

~~(f) As used in this article,~~ (h) "Recipient" means a person who is receiving medical assistance.

~~(g) As used in this article,~~ (i) "Spouse" means the legal husband or wife of an applicant or recipient who is either living with the applicant or recipient or physically separated from him or her only for medical reasons.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-1-1](#); filed Mar 1, 1984, 2:31 p.m.: 7 IR 1012, eff Apr 1, 1984; filed Jun 19, 1984, 10:25 a.m.: 7 IR 1820, eff Jul 1, 1984 [[IC 4-22-2-5](#) suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #84-29 was filed Jun 19, 1984.]; filed Apr 10, 1985, 2:20 p.m.: 8 IR 989; filed Apr 4, 1986, 11:07 a.m.: 9 IR 1854; filed Aug 15, 1986, 3:00 p.m.: 10 IR 6; filed May 11, 1987, 9:30 a.m.: 10 IR 1864; filed Apr 26, 1988, 12:55 p.m.: 11 IR 3028; filed Oct 6, 1989, 4:50 p.m.: 13 IR 282; filed May 2, 1990, 4:55 p.m.: 13 IR 1704; filed Aug 9, 1991, 11:00 a.m.: 14 IR 2224; filed May 14, 1992, 5:00 p.m.: 15 IR 2189; filed Feb 16, 1993, 5:00 p.m.: 16 IR 1780; filed Nov 26, 1996, 4:30 p.m.: 20 IR 955; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#)) NOTE: Transferred from the Division of Family and Children ([470 IAC 9.1-1-1](#)) to the Office of the Secretary of Family and Social Services ([405 IAC 2-1-1](#)) by P.L.9-1991, SECTION 131, effective January 1, 1992.*

SECTION 2. [405 IAC 2-1-2](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-1-2](#) Interview of applicants and recipients**

**Authority:** [IC 12-13-5-3](#); [IC 12-13-7-3](#); [IC 12-15-1-10](#)

**Affected:** [IC 12-15-4](#); [IC 12-15-5](#)

Sec. 2. (a) In addition to the requirements of [470 IAC 2.1-1-2](#), each applicant for and recipient of medical assistance or the individual authorized to act in the individual's behalf must be interviewed by the division of family resources (division) at the time of the initial investigation and at each annual reinvestigation of eligibility.

(b) The initial investigation interview required under subsection (a) may be conducted:

- (1) in a division office;
- (2) at a home visit;
- (3) by telephone; or
- (4) at a community location designated by the division or designee.

(c) The annual reinvestigation interview required under subsection (a) may be conducted:

- (1) in a division office;
- (2) at a home visit;
- (3) by telephone;
- (4) by mail; or
- (5) at a community location designated by the division or designee.

(d) An application for medical assistance shall be filed on the form prescribed by the division.

(e) The applicant or recipient may use an authorized representative to apply for medical assistance, to represent the applicant or recipient in all interviews, and to notify the division of any changes. The authorization must be in writing except as provided in subsections (g) and (h).

(f) Notwithstanding the availability of an authorized representative, the division may require personal contact with the applicant or recipient in order to obtain information necessary for the determination of eligibility.

(g) The parents of an applicant or recipient under twenty-one (21) years of age may apply for medical assistance on behalf of the applicant or recipient without the written authorization specified in subsection (e).

(h) The written authorization specified in subsection (e) shall not be required if medical documentation shows that the applicant or recipient is medically unable to provide such authorization.

(i) For any applicant or recipient of long-term care services, the application of the individual for such assistance, including any recertification of eligibility for such assistance, shall disclose a description of any interest the individual or community spouse has in an annuity (or similar financial instrument as may be specified by the Secretary of HHS) regardless of whether the annuity is irrevocable or is treated as an asset.

(1) Such application or recertification packet shall include a statement signed by the individual that the state will become a remainder beneficiary under such an annuity or similar financial instrument by virtue of the provision of such medical assistance.

(2) Upon disclosure by an applicant or recipient under this subsection, the state will notify the issuer of the annuity of its right as a preferred remainder beneficiary for medical assistance furnished to the individual.

(j) The division will accept an application for medical assistance signed with an electronic signature.

(k) An applicant or recipient who does not meet the requirements of this section shall be ineligible for medical assistance.

**(l) The formal initial investigation interview required under subsection (a) is not required for individuals subject to the modified adjusted gross income methodology set forth under 42 CFR 435.603.**

*(Office of the Secretary of Family and Social Services; [405 IAC 2-1-2](#); filed Mar 1, 1984, 2:31 p.m.: 7 IR 1013, eff Apr 1, 1984; filed Jun 19, 1984, 10:25 a.m.: 7 IR 1821, eff Jul 1, 1984 [[IC 4-22-2-5](#) suspends the effectiveness of a rule document for thirty (30) days after filing with the secretary of state. LSA Document #84-29 was filed with the secretary of state June 19, 1984.]; filed Feb 16, 1993, 5:00 p.m.: 16 IR 1781; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); filed Feb 19, 2009, 10:53 a.m.: [20090318-IR-405080195FRA](#); filed Aug 18, 2009, 11:33 a.m.: [20090916-IR-405080325FRA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#)) NOTE: Transferred from the Division of Family and Children ([470 IAC 9.1-1-2](#)) to the Office of the Secretary of Family and Social Services ([405 IAC 2-1-2](#)) by P.L.9-1991, SECTION 131, effective January 1, 1992.*

SECTION 3. [405 IAC 2-1.1](#) IS ADDED TO READ AS FOLLOWS:

#### **Rule 1.1. Methodology for Conducting Eligibility Determinations**

##### **[405 IAC 2-1.1-1](#) Definitions**

**Authority:** [IC 12-15](#)

**Affected:** [IC 12-15-2](#); [IC 12-15-3](#)

**Sec. 1. (a) The definitions in this section apply throughout this rule.**

**(b) "Applicant" means an individual applying for Medicaid eligibility on the basis of blindness or disability.**

**(c) "Change in circumstances" means any of the following:**

**(1) A disabling condition different from, or in addition to, that considered by SSA in making a previous SSA determination.**

**(2) That more than twelve (12) months after the most recent SSA determination denying disability, an individual's condition has changed or deteriorated resulting in a new period of disability, and such individual has not applied to SSA for a determination with respect to these new allegations.**

**(3) That less than twelve (12) months after the most recent SSA determination denying disability, an individual's condition has changed or deteriorated, alleging a new period of disability and either the individual:**

**(A) has applied to SSA for reconsideration or reopening of its disability decision and SSA refused to**

consider the new allegations; or  
(B) no longer meets the nondisability requirements for SSI but may meet the state's nondisability requirements for Medicaid eligibility.

(d) "DFR" means the division of family resources.

(e) "FPL" refers to the federal poverty level.

(f) "FSSA" means the Indiana family and social services administration.

(g) "MAGI" refers to the methodology for how income is counted and how household composition and family size are determined as set forth in 42 CFR 435.603.

(h) "Office" means the Indiana office of Medicaid policy and planning.

(i) "Recipient" means the individual receiving benefits due to age, disability, or blindness.

(j) "Special income level" refers to an amount equal to three hundred percent (300%) of the maximum benefit payable under the SSI program.

(k) "SSA" refers to the federal Social Security Administration.

(l) "SSA determination" means a final agency action by which SSA has determined an individual's eligibility or ineligibility for SSI.

(m) "SSDI" means Social Security disability insurance benefits provided through SSA.

(n) "SSI" means supplemental security income provided through SSA.

(o) "State" includes FSSA, the office, and DFR.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-1](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

#### **[405 IAC 2-1.1-2](#) Application**

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15-2](#); [IC 12-15-3](#)

**Sec. 2.** This rule applies to individuals seeking or receiving benefits on the basis of age, blindness, or disability. This rule specifically does not include eligibility criteria for individuals receiving benefits on the basis of income as determined using MAGI under 42 CFR 435.603, which is hereby incorporated by reference.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-2](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

#### **[405 IAC 2-1.1-3](#) Applying for benefits**

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15-2](#); [IC 12-15-3](#)

**Sec. 3. (a)** For purposes of this rule, any determination of eligibility on the basis of blindness or disability made by SSA is binding upon the state. A determination of eligibility by SSA for SSI automatically confers Medicaid eligibility upon that individual. This subsection governs when:

- (1) an eligibility determination is to be made by SSA; and
- (2) a determination is to be made by the state.

**(b) SSA determinations.**

(1) SSA determination of eligibility. When an individual has been determined eligible for SSI by SSA, the state shall:

- (A) receive notification of such eligibility;
- (B) adopt SSA's determination; and
- (C) automatically enroll that individual in Medicaid.

(2) SSA determination of ineligibility. SSA's determination of ineligibility for SSI or SSDI on the basis of disability or blindness is binding on the state as it relates to disability or blindness, regardless of any prior determination the state may have made.

(3) Changed determination. SSA's determination of eligibility on the basis of disability or blindness is binding on the state until changed by SSA. If such SSA determination is changed, the new SSA determination on the basis of disability or blindness is also binding on the state.

**(c) State determinations.**

(1) The state must make a determination of eligibility for Medicaid under the following circumstances:

- (A) Applications for benefits are filed with both SSA and the state;
- (B) SSA has determined the individual to be blind or disabled, and the individual:
  - (i) is not receiving SSI; and
  - (ii) submitted an application to the state as described in [405 IAC 2-1-2\(d\)](#); or
- (C) The individual alleges a change in circumstances as provided in section 1(c) of this rule.

(2) Pending application with SSA. Where an individual has applied to both SSA for benefits and the state for Medicaid, the state must make a determination within ninety (90) days of its receipt of the individual's application for Medicaid when no determination has been made by SSA, as set forth in 42 CFR 435.541(c)(2).

(3) Where an individual has not applied to SSA for benefits but applies to the state for Medicaid, the state must make a determination of eligibility. In accordance with 42 CFR 435.608, the state shall require such individual to apply for all other benefits he or she may be eligible to receive, including SSI or SSDI benefits, as a condition of Medicaid eligibility.

(4) Change in circumstances. The state must make a determination if:

- (A) SSA has previously determined the individual to be ineligible for SSI on the basis of blindness or disability; and
- (B) the individual alleges a change in circumstances.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-3](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

**[405 IAC 2-1.1-4](#) Criteria for determining disability**

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15-2](#); [IC 12-15-3](#)

**Sec. 4. When the state makes disability determinations, it shall do so in accordance with 42 CFR 435.541(d) through 42 CFR 435.541(f).**

*(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-4](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

**[405 IAC 2-1.1-5](#) Income**

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15-2](#); [IC 12-15-3](#)

**Sec. 5. (a) Individuals declared eligible for benefits by reason of age, disability, or blindness are subject to the income definition and exclusions set forth in 42 U.S.C. 1382a and 20 CFR Part 416, Subpart K Income.**

(b) The income standard to be used is one hundred percent (100%) of FPL.

(c) The following apply in determining the household size of an applicant or recipient for purposes of determining income:

- (1) An unmarried applicant or recipient will be considered a household of one (1).
- (2) A married applicant or recipient will be considered a household of two (2).
- (3) A child applicant or recipient under eighteen (18) years of age living with only one (1) biological or adopted parent will be considered a household of one (1).
- (4) A child applicant or recipient under eighteen (18) years of age living with:
  - (A) two (2) biological parents;
  - (B) two (2) adopted parents; or
  - (C) one (1) biological and one (1) adopted parent;will be considered a household of two (2).

(d) A maximum allocation of three hundred sixty-one dollars (\$361) can be deducted for the following individuals who live with the applicant or recipient:

- (1) Biological or adopted children of the applicant or recipient under eighteen (18) years of age not receiving adoption assistance or temporary assistance for needy families.
- (2) Biological or adopted children of the applicant or recipient under twenty-two (22) years of age if attending a college or university as at least a half-time student not receiving adoption assistance or temporary assistance for needy families.
- (3) An essential person as defined in [405 IAC 2-1-1\(d\)](#).
- (4) A stepparent.
- (5) A biological or adoptive sibling under the care of the child applicant or recipient's parent or parents.

(e) If the countable income calculated according to subsection (d) for any individual listed in subsection (d)(1) through (d)(5) is greater than three hundred sixty-one dollars (\$361), there will not be a deduction for that individual. If the countable income calculated according to subsection (a) for any individual listed in subsection (d)(1) through (d)(5) is less than three hundred sixty-one dollars (\$361), then the allocated amount to be deducted for such individual shall be the difference between three hundred sixty-one dollars (\$361) and that individual's countable income.

(f) Beginning in calendar year 2014, the allocation amount specified in subsection (d) shall increase annually in the same percentage amount that is applied to SSI benefits under 42 U.S.C. 1382f. The increase in the allocation amount shall be effective on the first day of the same month in which the DFR processes the Title II costs of living adjustments received by public assistance recipients under 42 U.S.C. 415(i).

(g) Individuals in institutions and individuals receiving home and community-based waiver services. To be considered income eligible while either residing in an institution or while receiving home and community-based waiver services, an individual must have countable income that is not more than the special income level.

- (1) If residing in an institution, the individual must reside there for a period of not less than thirty (30) continuous days. If a person dies before the thirty (30) continuous days has passed, it is assumed that the thirty (30) continuous days has been met.
- (2) The countable income for an individual described in this subsection consists only of income of the individual, which includes the following:
  - (A) Gross earnings.
  - (B) Net rental income.
  - (C) Net self-employment income.
  - (D) All gross unearned income, excluding SSI.
- (3) Any income from another financially responsible relative described under [405 IAC 2-3-4](#) will not be included when determining whether an individual falls below the special income level.
- (4) Income that has been placed or delivered to a trust described in [405 IAC 2-3-22\(i\)\(2\)](#) will be disregarded for purposes of determining income eligibility under the special income level.

(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-5](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))

**405 IAC 2-1.1-6** Individuals receiving behavioral and primary health care coordination services

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15-2](#); [IC 12-15-3](#)

Sec. 6. (a) Except as provided under subsection (b), individuals may be eligible for Medicaid services if they meet the following criteria:

- (1) They qualify to receive behavioral and primary health care coordination services based on the criteria set forth in [405 IAC 5-21.8-4](#).
- (2) They have met the income threshold set forth in section 5(b) of this rule.

(b) Individuals described in subsection (a)(1) but who do not qualify under subsection (a)(2) may still be eligible for Medicaid services if their countable income is less than one hundred fifty percent (150%) of the FPL. In determining an individual's countable income for purposes of this subsection, the following deductions apply:

- (1) For an applicant or individual who is married, income will be calculated in accordance with [405 IAC 2-3-17](#).
- (2) One thousand four hundred thirty-seven dollars (\$1,437) or an amount equal to one hundred fifty percent (150%) FPL, which will increase annually.

(c) There is no asset test when subsection (b) is applicable.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-6](#); filed Apr 8, 2014, 12:37 p.m.: 20140507-IR-405130533FRA)*

**405 IAC 2-1.1-7** Post-eligibility treatment of income

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15-7-2](#)

Sec. 7. (a) This subsection applies to individuals in institutions.

(1) Except as provided in [405 IAC 2-3-17](#), the following procedure shall be used to determine the amount of income to be paid to an institution for an applicant or recipient who has been determined eligible under section 5(g) of this rule and who is residing in an institution as defined in [405 IAC 2-1-1\(e\)](#).

(2) Determine the applicant's or recipient's total income that is not excluded by federal statute, which includes amounts deducted in the eligibility determination under section 5(g)(3) of this rule.

(3) Subtract the minimum personal needs allowance specified in [IC 12-15-7-2](#).

(4) Subtract an amount for increased personal needs as allowed under Indiana's approved Medicaid state plan. The increased personal needs allowance includes, but is not limited to, court ordered guardianship fees paid to an institutionalized applicant or recipient's legal guardian, not to exceed thirty-five dollars (\$35) per month. Guardianship fees include all services and expenses required to perform the duties of a guardian, as well as any attorney's fees for which the guardian is liable.

(5) Subtract the amount of any health insurance premiums.

(6) Subtract an amount for expenses incurred for necessary or remedial care recognized by state law but not covered under the state plan, subject to any reasonable limits set forth in Indiana's approved Medicaid state plan.

(7) Subtract an amount for federal, state, and local taxes owed and paid by the applicant or recipient. This deduction is limited to one (1) calendar month per year.

The resulting amount is the amount by which the Medicaid payment to the facility shall be reduced.

(b) This subsection applies to an individual who has been determined eligible under section 5(g) of this rule and who is receiving home and community based waiver services.

(1) Except as provided in [405 IAC 2-3-17](#), the following procedure shall be used to determine the amount of income to be paid to an institution for an applicant or recipient who has been determined eligible under section 5(g) of this rule and who is residing in a Title XIX certified hospital, nursing facility, intermediate care facility for the mentally retarded, or public institution.

(2) Determine the applicant or recipient's total income that is not excluded by federal statute, which includes amounts deducted in the eligibility determination under section 5(g)(3) of this rule.

(3) Subtract the minimum personal needs amount that is equal to the special income level.

(4) Subtract an amount for increased personal needs as allowed under Indiana's approved Medicaid state plan. The increased personal needs allowance includes, but is not limited to, court ordered guardianship fees paid to an institutionalized applicant or recipient's legal guardian, not to exceed thirty-five dollars (\$35) per month. Guardianship fees include all services and expenses required to perform the duties of a guardian, as well as any attorney's fees for which the guardian is liable.

(5) Subtract the amount of any health insurance premiums.

(6) Subtract an amount for expenses incurred for necessary or remedial care recognized by state law but not covered under the state plan, subject to any reasonable limits set forth in Indiana's approved Medicaid state plan.

(7) Subtract an amount for federal, state, and local taxes owed and paid by the applicant or recipient. This deduction is limited to one (1) calendar month per year.

The resulting amount is the amount by which the Medicaid payment to the facility shall be reduced.

(c) A child under eighteen (18) years of age determined eligible for benefits under section 5(g) of this rule will not have any resources or income from his or her parents deemed to such child under this section.

(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-7](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))

#### [405 IAC 2-1.1-8](#) Resource definitions and exclusions

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15-2](#); [IC 12-15-3](#)

Sec. 8. Individuals declared eligible for benefits by reason of age, disability, or blindness are subject to resource definitions and exclusions set forth in 42 U.S.C. 1382b and 20 CFR Part 416, Subpart L, Resources.

(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-8](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))

#### [405 IAC 2-1.1-9](#) Appeals

Authority: [IC 12-13-7-3](#); [IC 12-15](#)

Affected: [IC 12-15](#)

Sec. 9. When any appeal of a determination is filed with FSSA, such appeal will be conducted in accordance with the procedures set forth in [405 IAC 1.1](#).

(Office of the Secretary of Family and Social Services; [405 IAC 2-1.1-9](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))

SECTION 4. [405 IAC 2-2-2](#) IS AMENDED TO READ AS FOLLOWS:

#### [405 IAC 2-2-2](#) Visual eligibility; medical assistance for the blind

Authority: [IC 12-15](#)

Affected: [IC 12-13-7-3](#)

Sec. 2. (a) ~~An individual is visually eligible for the medical assistance for the blind program if he has central visual acuity of 20/200 or less in the better eye with correction or a field defect in which the peripheral field has contracted to such an extent that the widest diameter of visual field subtends an angular distance of no greater than 20 degrees.~~

~~(b) Each applicant for medical assistance for the blind is required to undergo an eye examination by a qualified examiner as defined in [IC 12-1-1-1](#) (e) unless:~~

~~(1) verification is obtained that the individual is currently receiving supplemental security income (SSI) benefits based on blindness; or~~

~~(2) reexaminations have been waived by the supervising ophthalmologist of the state department.~~

~~(c) The determination of visual eligibility of an applicant or recipient shall be made by the supervising ophthalmologist of the state department upon receipt of a written report on the form prescribed by the state department or in any other format that contains the same information as requested on this form. This report must be completed by the eye examiner and must be based on an examination given not more than six (6) months prior to the date of the eye examiner's report.~~

~~(d) The supervising ophthalmologist of the state department may require additional examinations in order to determine visual eligibility.~~

**(a) To be considered blind for eligibility purposes, a person must meet the criteria set forth in 42 U.S.C. 1382c(a)(2).**

**(b) There is no minimum age requirement for a person who is blind.**

**(c) A person must have a medical determination of blindness before FSSA can determine eligibility.**

*(Office of the Secretary of Family and Social Services; [405 IAC 2-2-2](#); filed Mar 1, 1984, 2:31 p.m.: 7 IR 1014, eff Apr 1, 1984; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#)) NOTE: Transferred from the Division of Family and Children ([470 IAC 9.1-2-2](#)) to the Office of the Secretary of Family and Social Services ([405 IAC 2-2-2](#)) by P.L.9-1991, SECTION 131, effective January 1, 1992.*

SECTION 5. [405 IAC 2-2-3](#) IS AMENDED TO READ AS FOLLOWS:

#### **[405 IAC 2-2-3](#) Disability definition and determination**

**Authority:** [IC 12-15-1-10](#)

**Affected:** [IC 12-13-7-3](#); [IC 12-14-15-1](#); [IC 12-15](#)

Sec. 3. (a) ~~The determination of whether an applicant or recipient is disabled according to the definition of disability prescribed in [IC 12-14-15-1](#)(2) is made by the Medicaid medical review team (MMRT) based upon the following principles:~~

~~(1) The determination of whether a condition appears reasonably certain to result in death or that appears reasonably certain to last for a continuous period of at least twelve (12) months without significant improvement is made on the basis of the expected duration of the condition. A condition that is temporary (less than twelve (12) months) or transient does not fulfill this requirement. The expected duration of the condition does not preclude the possibility of future medical advances, changed diagnosis or prognosis, unforeseen recovery, or successful treatment subsequent to the initial prognosis.~~

~~(2) The determination of whether a condition substantially impairs the applicant's ability to perform labor or services or to engage in a useful occupation will be made based upon a consideration of the following:~~

~~(A) The applicant's functional limitations, as follows:~~

~~(i) Consideration is given to the applicant's significant physical functions and capacity that affect vocational capacity, such as standing, walking, lifting, range of motion, strength, agility, and stamina.~~

~~(ii) Consideration is given to the individual's intellectual and sensory functions that affect vocational capacity, such as sight, speech, hearing, reasoning, and following directions.~~

~~(iii) Consideration is given to the applicant's capacity for sustained activity on a regular basis.~~

~~(B) The applicant's age, as follows:~~

~~(i) An individual who is not engaged in a useful occupation solely because of age cannot be found disabled if the individual's impairment, education, and work experience would enable the individual to function in a useful capacity.~~

~~(ii) If the applicant is over fifty five (55) years of age, the applicant's age may be considered a significant factor in the applicant's ability to engage in or adapt to a useful occupation.~~

~~(iii) If the applicant is under eighteen (18) years of age, the applicant's condition is evaluated in terms of how it affects the applicant's activities and restricts the applicant's physical, mental, emotional, and social growth, learning, and development.~~

~~(iv) A condition that is likely to substantially impair a child's ability to become an independent and~~

self-supporting adult is a basis for a finding of disability.

(C) The applicant's education and training, as follows:

(i) Consideration is given to the applicant's formal schooling and other training that contributes to the applicant's ability to meet vocational requirements.

(ii) Past work experience, daily activities, and hobbies are considered in determining and evaluating skills not acquired in a formal setting.

(iii) In determining whether these factors are vocationally significant, consideration is given to the time elapsed since the completion of education, training, or the exercise of acquired skills.

(iv) Lack of education and training is not of itself a basis for a finding of disability.

(D) The applicant's work experience, as follows:

(i) The applicant's inability to engage in the applicant's former occupation is not, in itself, a basis for a finding of disability.

(ii) Work performed fifteen (15) or more years before an application is not considered vocationally relevant. Similarly, an individual who has no work experience or only sporadic work experience in the previous fifteen (15) years is considered to have no work experience relevant to the determination of disability.

(iii) The absence of work experience is not in itself a basis for a finding of disability.

(iv) If an applicant is physically or mentally unable to engage in any previous occupation but the applicant's remaining functional capacity and vocational capabilities are sufficient to meet the demands and adjustments required by a different occupation, the applicant is not considered disabled.

(b) Except as provided below, a redetermination of disability is required annually of each recipient at the time the county office does its complete redetermination of all factors of eligibility. Redeterminations of disability may be required more frequently or may be waived at the discretion of the MMRT based upon the condition of the recipient. **The definition of disability set forth in 42 U.S.C. 1382c(a)(3) will be used in making the disability determination of an individual applying for disability benefits.**

(Office of the Secretary of Family and Social Services; [405 IAC 2-2-3](#); filed Mar 1, 1984, 2:31 p.m.: 7 IR 1015, eff Apr 1, 1984; errata, 7 IR 1254; filed Dec 21, 2000, 2:06 p.m.: 24 IR 1342; errata filed Apr 30, 2001, 3:27 p.m.: 24 IR 2709; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; filed Jun 21, 2005, 3:00 p.m.: 29 IR 9; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#)) NOTE: Transferred from the Division of Family and Children ([470 IAC 9.1-2-3](#)) to the Office of the Secretary of Family and Social Services ([405 IAC 2-2-3](#)) by P.L.9-1991, SECTION 131, effective January 1, 1992.

SECTION 6. [405 IAC 2-2-4](#) IS AMENDED TO READ AS FOLLOWS:

#### **[405 IAC 2-2-4](#) Payment for examinations and tests**

**Authority:** [IC 12-15-1-10](#)

**Affected:** [IC 12-13-5-1](#)

Sec. 4. If the office of Medicaid policy and planning (office) **makes the individual's disability determination, then the office** shall pay for the costs of necessary medical examinations and diagnostic tests required to determine whether the applicable visual or disability requirement is met to qualify for Medicaid to the blind or disabled, subject to the following limitations:

(1) Payment will be made only to the medical practitioner upon submission of a completed claim form prescribed by the office.

(2) Payment for the cost of submitting a report of a previously completed medical examination or other record shall not exceed ten dollars (\$10).

(3) Payment for an eye examination and completion of a report thereon shall not exceed twenty-nine dollars (\$29).

(4) Payment for a physical examination or evaluation and completion of a report thereon shall not exceed sixty-five dollars (\$65). Examination fees include expenses for basic blood testing and urinalysis. Fees relating to these tests will not be reimbursed separately.

(5) Payment for a psychiatric evaluation or testing and completion of a report thereon shall not exceed eighty dollars (\$80) per hour.

(6) Diagnostic procedures, such as laboratory tests, x-rays, and special testing, may be reimbursed only if authorized in advance of the procedure by the Medicaid medical review team (MMRT) physician. Authorization will only be granted if additional testing is necessary in order to:

(A) confirm the diagnosis or to measure the severity of the impairment; or

(B) assist in completing the examination.

Payment will not be made for any treatment given to the applicant.

(7) All prior-authorized additional testing, as referenced in subdivision (6), will be reimbursed according to the Medicaid fee-for-service schedule applicable on the date of service.

(Office of the Secretary of Family and Social Services; [405 IAC 2-2-4](#); filed Nov 1, 1995, 8:30 a.m.: 19 IR 351; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))

SECTION 7. [405 IAC 2-3-14](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-3-14](#) Resources, limitations, and exclusions**

**Authority:** [IC 12-15](#)

**Affected:** [IC 12-13-7-3](#)

Sec. 14. (a) Definitions. (1) ~~Resources are all of the real and personal property owned by the applicant or recipient and his spouse or parent(s). Resources must be available in order to be considered in the eligibility determination. If the individual has the right, authority or ability to liquidate the property, or his share of the property, it is considered an available resource.~~

~~(2) Liquid assets are those assets that are in cash or are financial instruments which are convertible to cash.~~

~~(3) Current market value is the average price that the property can reasonably be expected to sell for on the open market in the particular geographic area involved.~~

~~(4) Equity value is the current market value minus the total amount of liens against the property.~~

**(a) Individuals eligible under 405 IAC Rule 2 Sections 1, 2 and 3 [sic], respectively, are subject to resource definitions and exclusions as provided in 42 U.S.C. 1382b and at 20 CFR Part 416, Subpart L Resources.**

**(b) Resources identified in 20 CFR 416.1210 are excluded, and other resources that are excluded include the following:**

**(1) The equity value of personal property used to produce food for home consumption or used in the production of income.**

**(2) Income-producing real property if the gross income produced from the real property is greater than the expenses of ownership.**

**(3) For an applicant or recipient of medical assistance under the blind category, an amount of his or her resources, as specified in an approved plan for achieving self-support, is disregarded for a period of time not to exceed twelve (12) months. Such a plan will be approved by the division of family resources in conjunction with the Indiana division of services for the blind if the plan is in writing and fully documents that the resources to be disregarded will be used by the applicant or recipient in pursuing a bona fide activity aimed at achieving self-support.**

**(4) The home including the shelter where at least one (1) of the following individuals resides:**

**(A) The applicant or recipient.**

**(B) The spouse of the applicant or recipient.**

**(C) The parent or parents of the applicant or recipient.**

**(D) The applicant's or recipient's biological or adoptive child or children under eighteen (18) years of age.**

**(E) The applicant's or recipient's blind or disabled biological or adoptive child or children eighteen (18) years of age or older.**

**The home also includes the land on which the shelter is located and related outbuildings. The home is exempt until such time as it is verified that none of the persons listed in clauses (A) through (E) intends to reside there.**

**(c) An applicant or recipient is ineligible for medical assistance for any month in which the total equity**

value of all nonexempt property exceeds the applicable limitation, set forth as follows, on the first moment of the first day of the month:

- (1) Two thousand dollars (\$2,000) for the applicant or recipient, in addition to the amount determined in subdivision (3), if applicable.
- (2) Three thousand dollars (\$3,000) for the applicant or recipient and his or her spouse if the couple is living together, or if the most recent continuous period of institutionalization of one (1) member of the couple began prior to September 30, 1989.
- (3) Twenty-three thousand four hundred forty-eight dollars (\$23,448), subject to adjustment under Section 1924(g) of the Social Security Act, as the spousal resource standard provided for in Section 1924(f)(2)(A)(i) of the Social Security Act, or a higher amount as determined under:
  - (A) Section 1924(f)(2)(A)(ii);
  - (B) Section 1924(f)(2)(A)(iii); or
  - (C) Section 1924(f)(2)(A)(iv);of the Social Security Act for a community spouse as defined in Section 1924(h) of the Social Security Act.

(d) In determining eligibility of an individual applying for medical assistance with respect to nursing facility services or other long-term care services, the individual shall not be eligible for such assistance if the individual's equity interest in the individual's home exceeds five hundred forty-three thousand dollars (\$543,000). The dollar amount specified in this subsection shall be increased from year to year in accordance with federal law. The limitation in this subsection shall not apply if:

- (1) the individual's spouse or dependent child under twenty-one (21) years of age or blind or disabled child lawfully resides in the home;
- (2) a reverse mortgage or home equity loan has reduced the individual's equity interest in the home below the equity interest restriction;
- (3) the individual purchased a long-term care insurance policy that will protect the excess home equity;
- (4) the individual can prove through the process in section 24 of this rule that the application of this subsection will create a hardship for the individual under the standards stated in that rule.

(e) As a condition of eligibility for medical assistance for the aged, blind, and disabled, each applicant and recipient and his or her legally responsible relatives must sign an agreement to offer for sale or for rent all nonexempt real property that he or she or his or her legally responsible relatives own, except in those situations involving a community spouse and an institutionalized spouse, as defined in Section 1924(h) of the Social Security Act, wherein the total equity value of all resources of the couple does not exceed the sum of the institutionalized spouse's resource limitation specified in subsection (a)(1) *[sic]* and the community spouse resource standard, as determined under Section 1924(f)(2)(A) of the Social Security Act.

(f) If nonexempt real property is not offered for sale or for rent at current market value within thirty (30) days of written notification of medical assistance or within thirty (30) days after the agreement referenced in subsection (e) is signed, whichever is later, the recipient shall be ineligible for medical assistance.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-3-14](#); filed Dec 16, 1986, 11:00 a.m.: 10 IR 1079, eff Feb 1, 1987; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))* NOTE: Transferred from the Division of Family and Children ([470 IAC 9.1-3-16](#)) to the Office of the Secretary of Family and Social Services ([405 IAC 2-3-14](#)) by P.L.9-1991, SECTION 131, effective January 1, 1992.

SECTION 8. [405 IAC 2-3-17](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-3-17](#) Income eligibility of institutionalized applicant or recipient with community spouse; posteligibility**

**Authority:** [IC 12-15-1-10](#)

**Affected:** [IC 12-15](#)

Sec. 17. (a) As used in this section, "institutionalized spouse" and "community spouse" have the meanings set

forth in 42 U.S.C.A. 1396r-5(h)(1).

(b) The income eligibility of an institutionalized applicant or recipient with a community spouse shall be determined as follows: **in accordance with 405 IAC 1-2.1-5(g).**

- ~~(1) Determine the applicant's or recipient's countable income under section 3 of this rule and in accordance with income ownership provisions set forth in 42 U.S.C.A. 1396r-5(d).~~
- ~~(2) Subtract from the amount determined in subdivision (1) the individual income standard specified in section 18 of this rule.~~
- ~~(3) If the remainder calculated in subdivision (2) is zero dollars (\$0) or less, the applicant or recipient is eligible for medical assistance.~~
- ~~(4) If the remainder calculated in subdivision (2) is greater than zero dollars (\$0), the applicant or recipient is eligible if his or her estimated medical expenses exceed this remainder.~~

(c) If an applicant or recipient is determined eligible for medical assistance under subsection (b), posteligibility treatment of income to calculate the amount of income to be paid to the institution is determined as follows:

- (1) Subtract from the applicant's or recipient's gross income determined according to ownership provisions set forth in 42 U.S.C.A. 1396r-5(b) those exclusions required by federal law.
- ~~(2) Subtract the minimum personal needs allowance specified in [IC 12-15-7-2](#).~~
- ~~(3) Subtract an amount for increased personal needs as allowed under Indiana's approved Medicaid state plan. The increased personal needs allowance includes, but is not limited to, court ordered guardianship fees paid to an institutionalized applicant or recipient's legal guardian, not to exceed thirty-five dollars (\$35) per month. Guardianship fees include all services and expenses required to perform the duties of a guardian, as well as any attorney fees for which the guardian is liable.~~
- (4) **(2)** Subtract a spousal allocation equal to the community spouse's total income, in accordance with ownership provisions set forth in 42 U.S.C.A. 1396r-5(b), subtracted from the sum of nine hundred eighty-four dollars (\$984), plus an excess shelter allowance determined under 42 U.S.C.A. 1396r-5(d)(4), subject to all provisions of 42 U.S.C.A. 1396r-5(d), 42 U.S.C.A. 1396r-5(e), and 42 U.S.C.A. 1396r-5(g).
- ~~(5) **(3)** Subtract an allocation for each dependent family member, as defined in subsection (e), equal to one-third (1/3) of the amount by which nine hundred eighty-four dollars (\$984) exceeds the family member's total income, subject to the provisions of 42 U.S.C.A. 1396r-5(d), 42 U.S.C.A. 1396r-5(e), and 42 U.S.C.A. 1396r-5(g).~~

(d) The spousal allocation calculated in subsection (c)(4) *[sic]* is deducted from the institutionalized applicant's or recipient's income only to the extent that it is actually made available to, or for the benefit of, the community spouse.

(e) "Dependent family member", for the purpose of determining the allocation in subsection (c)(5) *[sic]*, is a person listed, as follows, who resides with the community spouse:

- (1) Biological or adoptive children of either spouse under twenty-one (21) years of age.
- (2) Biological or adoptive children of the community or institutionalized spouse who are:
  - (A)** twenty-one (21) years of age or over; and ~~who are~~
  - (B)** claimed for tax purposes by either spouse under the Internal Revenue Service Code.
- (3) The **parent or** parents of the community or institutionalized spouse who are claimed as dependents by either spouse for tax purposes under the Internal Revenue Service Code.
- (4) Biological and adoptive siblings of the community or institutionalized spouse who are claimed by either spouse for tax purposes under the Internal Revenue Service Code.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-3-17](#); filed Dec 1, 1989, 5:00 p.m.: 13 IR 628; filed May 2, 1990, 4:55 p.m.: 13 IR 1707; filed Aug 9, 1991, 11:00 a.m.: 14 IR 2227; filed May 14, 1992, 5:00 p.m.: 15 IR 2191; filed Feb 16, 1993, 5:00 p.m.: 16 IR 1785; filed Feb 23, 1998, 11:30 a.m.: 21 IR 2383; filed Feb 7, 2000, 3:26 p.m.: 23 IR 1377; errata filed Mar 20, 2000, 3:19 p.m.: 23 IR 2003; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; filed Apr 16, 2003, 10:55 a.m.: 26 IR 2867; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#)) NOTE: Transferred from the Division of Family and Children ([470 IAC 9.1-3-19](#)) to the Office of the Secretary of Family and Social Services ([405 IAC 2-3-17](#)) by P.L.9-1991, SECTION 131, effective January 1, 1992.*

SECTION 9. [405 IAC 2-3-22](#) IS AMENDED TO READ AS FOLLOWS:

#### **405 IAC 2-3-22 Trusts**

**Authority:** IC 12-13-5-3; IC 12-15-1-10

**Affected:** IC 12-15-2-17; IC 12-15-3

Sec. 22. (a) This section:

- (1) governs the treatment of trusts when determining eligibility of an applicant or recipient of Medicaid; and
- (2) applies to trusts established by an applicant or recipient of Medicaid as defined in subsection (e).

As used in this section, "individual" means an applicant or recipient of Medicaid.

(b) A revocable trust established by an applicant or recipient shall be considered as follows:

- (1) The corpus of the trust shall be considered resources available to the individual.
- (2) Payments from the trust to or for the benefit of the individual shall be considered income of the individual.
- (3) Any other payments from the trust shall be considered assets disposed of by the individual for purposes of section 1.1 of this rule. ~~(405 IAC 2-3-1.1).~~

(c) An irrevocable trust established by an applicant or recipient shall be considered as follows:

- (1) If there are any circumstances under which payment from the trust could be made to or for the benefit of the individual, the portion of the corpus or income from which payment to the individual could be made shall be considered resources available to the individual. Payments from that portion of the corpus or income shall be counted as follows:

(A) Payments to or for the benefit of the individual shall be considered income of the individual.

(B) Payments for any other purpose shall be considered assets disposed of by the individual subject to section 1.1 of this rule. ~~(405 IAC 2-3-1.1).~~

- (2) If there are no circumstances under which payment from a portion of the trust could be made to or for the benefit of the individual, the portion of the corpus or income from which no payment to the individual could be made shall be considered to be assets disposed of by the individual for purposes of section 1.1 of this rule. ~~(405 IAC 2-3-1.1).~~ For purposes of section 1.1 of this rule, ~~(405 IAC 2-3-1.1)~~, the following shall apply:

(A) The assets shall be considered disposed of as of the date:

- (i) of establishment of the trust; or
  - (ii) on which payment to the individual was foreclosed;
- whichever is later.

(B) The value of the trust shall be determined by including the amount of any payments made from that portion of the trust after the date in clause (A).

(d) As used in this section, "trust" includes, but is not limited to, any legal instrument or device that is similar to a trust. The term includes an annuity only to such extent and in such manner as allowed by regulations of the Secretary of Health and Human Services.

(e) For purposes of this section, an individual shall be considered to have established a trust if assets of the individual were used to form all or part of the corpus of the trust, and if any of the following individuals established the trust other than by will:

- (1) The individual.
- (2) The individual's spouse.
- (3) A person with legal authority to act in place of or on behalf of the individual or the individual's spouse, including, but not limited to, a court or administrative body.
- (4) A person acting at the direction or upon the request of the individual or the individual's spouse, including, but not limited to, a court or administrative body.

(f) As used in this section, "assets" includes all income and resources of the individual and of the individual's spouse, including any income or resources that the individual or the individual's spouse is entitled to but does not receive because of action by:

- (1) the individual or the individual's spouse;
- (2) a person with legal authority to act in place of or on behalf of the individual or the individual's spouse, including, but not limited to, a court or administrative body; or
- (3) a person, including a court or administrative body, acting at the direction or upon the request of the individual or the individual's spouse.

(g) In the case of a trust, the corpus of which includes assets of an individual and assets of any other person or persons, this subsection shall apply to that portion of the trust attributable to the assets of the individual.

(h) Subject to subsection (i), this subsection shall apply without regard to any of the following:

- (1) The purposes for which a trust is established.
- (2) Whether the trustees have or exercise any discretion under the trust.
- (3) Any restrictions on when or whether distributions may be made from the trust.
- (4) Any restrictions on the use of distributions from the trust.

(i) This section shall not apply to any of the following trusts:

(1) A trust containing the assets of an individual under sixty-five (65) years of age who is disabled as defined in 42 U.S.C. 1382c(a)(3), and which is established for the benefit of the individual by a parent, grandparent, legal guardian of the individual, or a court, if the state will receive all amounts remaining in the trust upon the death of the individual up to an amount equal to the total medical assistance paid on behalf of the individual.

(2) A **qualified income** trust composed only of:

- (A) pension;
- (B) Social Security;
- (C) other income of the individual; and
- (D) accumulated income in the trust;

**if where income of clauses (A) through (C) is delivered to the trustee of the trust, and the trust instrument provides that the state will receive all amounts remaining in the trust upon the death of the individual up to an amount equal to the total medical assistance paid on behalf of the individual. The trust cannot be allowed to terminate in any manner at any time before the death of the individual.**

(3) A trust containing the assets of an individual who is disabled as defined in 42 U.S.C. 1382c(a)(3) that meets the following conditions:

- (A) The trust is established and managed by a nonprofit association.
- (B) A separate account is maintained for each beneficiary of the trust, but, for purposes of investment and management of funds, the trust pools these accounts.
- (C) Accounts in the trust are established solely for the benefit of individuals who are disabled by:
  - (i) the parent, grandparent, or legal guardian of the individuals;
  - (ii) the individuals; or
  - (iii) a court.
- (D) To the extent that amounts remaining in the beneficiary's account upon the death of the beneficiary are not retained by the trust, the trust pays to the state from the remaining amounts in the account an amount equal to the total amount of medical assistance paid on behalf of the beneficiary.

(j) The office may waive the application of this section in cases of undue hardship, but only to the extent required by standards specified under 42 U.S.C. 1396p(d)(5) by the Secretary of Health and Human Services and section 24 of this rule.

(k) This section applies to trusts established on or after August 11, 1993. Trusts established before August 11, 1993, are governed by 42 U.S.C. 1396a(k).

*(Office of the Secretary of Family and Social Services; [405 IAC 2-3-22](#); filed May 1, 1995, 10:45 a.m.: 18 IR 2225; errata filed Jun 9, 1995, 2:30 p.m.: 18 IR 2796; readopted filed Jun 27, 2001, 9:40 a.m.: 24 IR 3822; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); filed Aug 18, 2009, 11:33 a.m.: [20090916-IR-405080325FRA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

SECTION 10. [405 IAC 2-9-1](#) IS AMENDED TO READ AS FOLLOWS:

#### **[405 IAC 2-9-1](#) Purpose and general eligibility requirements**

**Authority:** [IC 12-15](#)

**Affected:** [IC 12-15-41](#)

Sec. 1. (a) This rule establishes the eligibility requirements for the two (2) optional Medicaid categories for employees with disabilities identified in 42 U.S.C. 1396a(a)(10)(A)(ii)(XV) and 42 U.S.C. 1396a(a)(10)(A)(ii)(XVI), and in accordance with the provisions of [IC 12-15-41](#).

(b) As used in this rule, "applicant or recipient" means an individual whose Medicaid eligibility is being determined under one (1) of the Medicaid categories referenced in subsection (a) and in accordance with the requirements of this rule.

(c) A person who is:

(1) less than sixteen (16) years of age; or

(2) sixty-five (65) years of age or older;

is not eligible for Medicaid for employees with disabilities.

(d) A recipient must report any change in income, resources, employment status, or marital status within ten (10) days of the date of the change. An additional ten (10) days is allowed to provide any necessary verification.

(e) A disabled individual will be considered for eligibility under this rule if the individual is ineligible for Medicaid under the disability category for any of the following reasons:

(1) The individual's income exceeds the applicable standard specified in [405 IAC 2-3-18](#).

(2) The individual's resources exceed the limit in ~~IC 12-15-3-1~~ or ~~IC 12-15-3-2~~, **20 CFR 416.1205**.

(3) The individual's gross earnings exceed the substantial gainful activity amount established by the Social Security Administration in 20 CFR 416.974.

(f) In addition to the requirements in this rule, the requirements in the following ~~rules~~ apply to applicants and recipients of Medicaid for employees with disabilities:

(1) ~~405 IAC 2-1-2~~.

(2) ~~405 IAC 2-1-3~~.

(3) ~~405 IAC 2-2-4~~.

(4) ~~405 IAC 2-3-1.1~~.

(5) ~~405 IAC 2-3-2~~.

(6) ~~405 IAC 2-3-11~~.

(7) ~~(6) 405 IAC 2-3-12~~.

(8) ~~405 IAC 2-3-13~~.

(9) ~~(7) 405 IAC 2-3-14~~.

(10) ~~(8) 405 IAC 2-3-22~~.

(11) ~~(9) 405 IAC 2-4-1~~.

(12) ~~(10) 405 IAC 2-5-1~~.

(13) ~~(11) 405 IAC 2-8-1~~.

(14) ~~(12) 405 IAC 2-8-2~~.

(Office of the Secretary of Family and Social Services; [405 IAC 2-9-1](#); filed Jun 10, 2002, 2:21 p.m.: 25 IR 3115; errata filed Aug 22, 2002, 3:14 p.m.: 26 IR 35; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))

SECTION 11. [405 IAC 2-9-2](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-9-2](#) Income of applicant or recipient**

**Authority:** [IC 12-15-1-10](#); [IC 12-15-21-2](#); [IC 12-15-41-15](#)

**Affected:** [IC 12-15-2-6.5](#); [IC 12-15-41](#)

Sec. 2. (a) ~~Countable income is gross monthly income less the deductions and exclusions required by federal or state statute or regulation and the deductions and exclusions in this section.~~

(b) ~~The following are disregarded or deducted in determining net earned income:~~

(1) ~~Up to ten dollars (\$10) of earned income is disregarded if the income is either infrequent or irregular.~~

~~Infrequent income is income received only once during the calendar quarter from a single source. Irregular income is income that could not reasonably be expected. If the total amount of infrequent or irregular earned income received in a month exceeds ten dollars (\$10), this disregard cannot be applied.~~

(2) ~~Expenses allowed by the Internal Revenue Service shall be deducted from gross income from~~

self-employment to determine net self-employment earnings.

(3) Sixty-five dollars (\$65) of earned income per month, plus impairment-related work expenses described in subdivision (4) below, plus one-half (1/2) of remaining earned income is excluded.

(4) Impairment-related work expenses are expenses that are paid by the applicant or recipient for the purchase or rental of certain items and services that are necessary, due to the severity of his or her impairment, in order for the applicant or recipient to work. No deduction is allowed if the expense has been, could be, or will be paid by another source or if the applicant or recipient will be reimbursed by another source, including, but not limited to, Medicaid, Medicare, private health insurance, or another agency. Allowable impairment-related expenses are as follows:

(A) Payments for attendant care services in the following circumstances:

(i) Because of the applicant's or recipient's impairment, he or she needs assistance in traveling to and from work, or while at work needs assistance with personal functions (e.g., eating, toileting) or with work-related functions (e.g., reading, communicating).

(ii) Because of the applicant's or recipient's impairment, assistance is needed at home with personal functions (e.g., dressing, administering medications) in preparation for going to and returning from work.

(iii) Payments made to a family member for attendant care services will be allowed only if the family member suffers an economic loss by terminating his or her employment or by reducing the number of hours he or she worked in order to perform the services.

(iv) A family member is anyone who is related to the applicant or recipient by blood, marriage, or adoption, whether or not that person lives with the applicant or recipient.

(v) If only part of the payment to a person is for services that come under the provisions of items (i) and (ii), only the portion attributable to those services will be allowed.

(B) Payments for medical devices. If the impairment requires the applicant or recipient to utilize medical devices in order to work, the payments made for those devices may be deducted. As used in this clause, medical devices include durable medical equipment that can withstand repeated use, is customarily used for medical purposes, and is generally not useful to a person in the absence of an illness or injury. Examples of durable medical equipment are wheelchairs, hemodialysis equipment, canes, crutches, inhalators, and pacemakers.

(C) Payments for prosthetic devices. If the impairment requires the applicant or recipient to utilize a prosthetic device in order to work, the payments made for that device may be deducted. A prosthetic device is that which replaces an internal body organ or external body part. Examples of prosthetic devices are artificial replacements of arms, legs, and other parts of the body.

(D) Payments for work-related equipment. If the impairment requires the applicant or recipient to utilize special equipment in order to do his or her job, the payments made for that equipment may be deducted.

(E) Payments for residential modifications. If the impairment requires the applicant or recipient to make modifications to his or her place of residence, the location of the workplace will determine if the cost of these modifications will be deducted. If the applicant or recipient is employed away from home, only the cost of changes made outside of the home to permit the applicant or recipient to get to his or her means of transportation (e.g., the installation of an exterior ramp for a wheelchair confined person or special exterior railings or pathways for someone who requires crutches) will be deducted. Costs relating to modifications of the inside of the home will not be deducted if the person works away from home. If the applicant or recipient works at home, the costs of modifying the inside of the home in order to create a working space to accommodate his or her impairment will be deducted to the extent that the changes pertain specifically to the space in which he or she works. Examples of such changes are the enlargement of a doorway leading into the work space or modification of the work space to accommodate problems in dexterity. However, if the applicant or recipient is self-employed at home, any cost deducted as a business expense cannot be deducted as an impairment-related work expense.

(F) Payments for transportation costs in the following circumstances are allowed:

(i) The impairment requires that in order for the applicant or recipient to get to work, a vehicle that has structural or operational modifications is required. The modifications must be critical to the applicant's or recipient's operation or use of the vehicle and directly related to his or her impairment. The costs of the modifications will be deducted, but not the cost of the vehicle. A mileage allowance for the trip to and from work will be allowed in the same amount as allowed by the Supplemental Security Income program for this purpose.

(ii) The impairment requires the applicant or recipient to use driver assistance, taxicabs or other hired vehicles in order to work. Amounts paid to the driver and, if the applicant's or recipient's own vehicle is used, a mileage allowance will be deducted for the trip to and from work.

(iii) The impairment prevents the applicant or recipient from taking available public transportation to and from work and he or she must drive his or her (unmodified) vehicle to work. A mileage allowance for the trip to and from work will be deducted if verification is obtained through the applicant's or recipient's physician or other sources that the need to drive is caused by the impairment, and not due to the unavailability of

~~public transportation.~~

~~(G) All other impairment related expenses allowed by the Supplemental Security Income program.~~

**(a) Individuals eligible under 405 IAC Rule 2 Sections 1, 2, and 3 [sic], respectively, are subject to income definitions and exclusions as provided in 42 U.S.C. 1382a and at 20 CFR Part 416, Subpart K Income.**

**(b) Countable income from the following individuals shall be excluded:**

**(1) The spouse of the applicant or recipient.**

**(2) The parent or parents of the applicant or recipient.**

(c) Funds from a grant, scholarship, or fellowship that are designated for tuition and mandatory books and fees at an educational institution or for vocational rehabilitation or technical training purposes shall be deducted from the total of such funds except as prohibited by federal regulations.

~~(d) Tax refunds are excluded from income.~~

~~(e) Home energy assistance is disregarded.~~

~~(f) Up to twenty dollars (\$20) of unearned income is disregarded if the income is either infrequent or irregular. Infrequent income is income received only once during the calendar quarter from a single source. Irregular income is income that could not reasonably be expected. If the total amount of infrequent or irregular unearned income received in a month exceeds twenty dollars (\$20), this disregard cannot be applied.~~

~~(g)~~ **(d)** A general income disregard of fifteen **twenty** dollars and fifty cents ~~(\$15.50)~~ **(\$20)** is deducted per month.

~~(h)~~ **(e)** Payments made to foster parents or licensed child caring institutions from county funds or reimbursed under Title IV-B of the Social Security Act on behalf of an applicant or recipient who is a ward of the county department are excluded.

~~(i)~~ **(f)** Income of the spouse of the applicant or recipient is excluded.

~~(j)~~ **(g)** Income of the parents of the applicant or recipient is excluded.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-9-2](#); filed Jun 10, 2002, 2:21 p.m.: 25 IR 3116; errata filed Aug 22, 2002, 3:14 p.m.: 26 IR 35; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

SECTION 12. [405 IAC 2-9-3](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-9-3](#) Income eligibility and posteligibility determinations of applicant or recipient**

**Authority:** [IC 12-15](#)

**Affected:** [IC 12-15-7-2](#)

Sec. 3. (a) An applicant's or recipient's income eligibility shall be determined by the following procedures:

(1) Determine the applicant's or recipient's ~~unearned income which is not excluded by state or federal statute or regulation.~~ **in accordance with section 2 of this rule.**

~~(2) Subtract the general income disregard specified in section 2 of this rule. The resulting amount is countable unearned income.~~

~~(3) Determine the earned income of the applicant or recipient.~~

~~(4) Subtract any remaining general income disregard.~~

~~(5) Subtract the earned income disregard(s) specified in section 2 of this rule. The resulting amount is countable earned income.~~

~~(6) Combine countable unearned and countable earned income.~~

~~(7) (2)~~ Subtract the monthly income standard that is equal to three hundred fifty percent (350%) of the federal poverty guideline for a family size of one (1), divided by twelve (12) and rounded up to the next whole dollar.

~~(8) (3)~~ If the resulting amount in subdivision ~~(7) (2)~~ is zero dollars (\$0) or less than zero dollars (\$0), the applicant or recipient is eligible for Medicaid for employees with disabilities. If the resulting amount is greater than zero dollars (\$0), the applicant or recipient is not eligible.

(b) The income standard referenced in subsection ~~(a)(7)~~ **(a)(2)** shall be increased annually beginning the second month following the month in which the federal poverty guidelines are published in the Federal Register.

(c) The following procedures are used to determine the amount of income to be paid to an institution for an applicant or recipient who has been determined eligible under subsection (a) and who is residing in a Title XIX certified health care facility:

(1) Determine the applicant's or recipient's total income which is not excluded by federal statute. Total income includes amounts deducted in the eligibility determination under subsection (a).

(2) Subtract the minimum personal needs allowance specified in [IC 12-15-7-2](#).

(3) Subtract an amount for increased personal needs as allowed under Indiana's approved Medicaid state plan. The increased personal needs allowance includes, but is not limited to, court ordered guardianship fees paid to an institutionalized applicant's or recipient's legal guardian, not to exceed thirty-five dollars (\$35) per month. Guardianship fees include all services and expenses required to perform the duties of a guardian, as well as any ~~attorney~~ **attorney's** fees for which the guardian is liable.

(4) Subtract the amount of health insurance premiums.

(5) Subtract an amount for expenses incurred for necessary medical or remedial care recognized by state law but not covered under the state plan, subject to any reasonable limits set forth in Indiana's approved Medicaid state plan.

(6) The resulting amount is the amount by which the Medicaid payment to the facility shall be reduced.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-9-3](#); filed Jun 10, 2002, 2:21 p.m.: 25 IR 3117; errata filed Jun 28, 2002, 10:17 a.m.: 25 IR 3769; errata filed Aug 22, 2002, 3:14 p.m.: 26 IR 35; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

SECTION 13. [405 IAC 2-9-4](#) IS AMENDED TO READ AS FOLLOWS:

#### **[405 IAC 2-9-4](#) Resource eligibility of applicant or recipient**

**Authority:** [IC 12-15](#)

**Affected:** [IC 12-15-2-6.5](#); [IC 12-15-41-2](#)

Sec. 4. (a) An applicant or recipient is ~~ineligible for Medicaid for employees with disabilities for any month in which the total equity value of all nonexempt personal property owned by the applicant and his or her spouse exceeds the applicable limitation for a single individual or married couple as prescribed by the Supplemental Security Income program.~~ **subject to resource definitions and exclusions as provided in [405 IAC 2-3-14](#).**

(b) The resources of the applicant's or recipient's parents are excluded.

(c) In addition to that property required to be excluded by federal statute or regulation, the following property is exempt from consideration:

(1) All household goods and personal effects.

(2) Personal property required by an individual's employer while the individual is employed.

(3) The equity value of personal property used to produce food for home consumption or used in the production of income.

(4) The value of life insurance with a total face value of ten thousand dollars (\$10,000) or less if provision has been made for payment of the applicant's or recipient's funeral expenses from the proceeds of such insurance. However, the ten thousand dollar (\$10,000) limitation shall be reduced by any amount in an irrevocable burial trust or irrevocable prepaid funeral agreement.

(5) For a period of no more than nine (9) months from the date of receipt, the proceeds or any interest earned on the proceeds of casualty insurance received as a result of damage, destruction, loss, or theft of exempt real or personal property if the applicant or recipient demonstrates that the proceeds are being used to repair or

replace the damaged, destroyed, lost, or stolen exempt property.

~~(6) One (1) motor vehicle according to the following provisions:~~

~~(A) One (1) motor vehicle is excluded, regardless of value, if, for the applicant or recipient or other member of his or her household, the motor vehicle is:~~

~~(i) necessary for employment;~~

~~(ii) necessary for the medical treatment of a specific or regular medical problem; or~~

~~(iii) modified for operation by or transportation of a handicapped person.~~

~~(B) If no motor vehicle is excluded under clause (A), four thousand five hundred dollars (\$4,500) of the current market value of one (1) motor vehicle is excluded.~~

~~(7) Burial spaces.~~

~~(8) Subject to the requirements in subsection (d), the home which is the principal place of residence of:~~

~~(A) the applicant or recipient;~~

~~(B) the spouse of the applicant or recipient;~~

~~(C) the parent of the applicant or recipient who is under eighteen (18) years of age;~~

~~(D) the applicant's or recipient's biological or adoptive child under eighteen (18) years of age; or~~

~~(E) the applicant's or recipient's blind or disabled biological or adoptive child eighteen (18) years of age or older.~~

~~(9) Income producing real property if the income is greater than the expenses of ownership.~~

**(c) In addition to that property required to be excluded under subsections (a) and (b), the following property is exempt from consideration:**

~~(10)~~ **(1)** Up to twenty thousand dollars (\$20,000), as approved by the central office of the family and social services administration, for an independence and self-sufficiency account defined in [IC 12-15-41-2\(3\)](#). A resource disregard for this purpose will be approved if the applicant or recipient submits a plan in writing to the local office of family and children caseworker that describes specifically the goods and or services that he or she intends to purchase that will increase, maintain, or retain his or her employability or independence. The items must be reasonable in terms of the applicant's or recipient's ability to achieve a stated goal ~~which~~ **that** is focused on the individual's employability by removing barriers. Items for personal recreational use will not be approved. A request to save money without specifying goods or services to be purchased within an achievable period of time will not be approved. An approved account will be reviewed by the local office of family and children caseworker at each annual redetermination. If the terms of the original approved account have not been met, the recipient will be required to submit an updated request to the caseworker within thirty (30) days of receiving written notification from the caseworker that such an update is required. If the recipient fails to submit the update, the disregard will be disapproved and resource eligibility will be redetermined without it. The caseworker will forward updates to the central office for approval. At any time during the period of eligibility under the Medicaid for employees with disabilities program, the recipient may submit an update requesting an adjustment in the approved amount. Approval will not be given for any services that are available to the recipient under Medicaid or any other publicly funded program.

~~(11)~~ **(2)** Retirement accounts held by the applicant or recipient or his or her spouse are exempt. This includes Individual Retirement Accounts, Keogh Plans, 401(k), 403(b), and 457 plans, and any employer-related retirement account.

~~(d) The home exempted by subsection (c)(8) is exempt until such time as it is verified that none of the persons listed in subsection (c)(8) intends to reside there. The home is the shelter in which the person resides, the land on which the shelter is located, and related outbuildings.~~

~~(e) As a condition of eligibility for Medicaid for employees with disabilities, an applicant or recipient and his or her spouse must sign an agreement to offer for sale or for rent all nonexempt real property that he or she or his or her spouse own.~~

~~(f) If nonexempt real property is not offered for sale or for rent at current market value within thirty (30) days of written notification of medical assistance or within thirty (30) days after the agreement referenced in subsection (e) is signed, whichever is later, the recipient shall be ineligible.~~

*(Office of the Secretary of Family and Social Services; [405 IAC 2-9-4](#); filed Jun 10, 2002, 2:21 p.m.: 25 IR 3118; errata filed Aug 22, 2002, 3:14 p.m.: 26 IR 35; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

SECTION 14. [405 IAC 2-9-6](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-9-6](#) Medical disability determination**

**Authority:** [IC 12-15](#)

**Affected:** [IC 12-15-2-6.5](#); [IC 12-15-41](#)

Sec. 6. (a) In order to qualify for Medicaid for employees with disabilities, an applicant must meet the definition of disability in [IC 12-14-15-1\(2\)](#); [405 IAC 2-2-3](#). If not for earned income, the applicant or recipient would medically qualify for Medicaid under the traditional disability category according to statute.

(b) ~~The determination of disability is made by the Medicaid medical review team (MMRT) based upon the principles found in [405 IAC 2-2-3](#), except that the determination of whether an impairment is substantial enough to meet the definition of disability is made without considering work activity, earnings, and substantial gainful activity (SGA). If not for the fact that the applicant or recipient is working, the condition would otherwise be substantial enough to prevent the person from participating in gainful activity.~~

(c) ~~A redetermination of disability is required annually of each recipient at the time the county office does its complete redetermination of all factors of eligibility. A redetermination of disability may be required more frequently or may be waived at the discretion of the MMRT based upon the condition of the recipient.~~

*(Office of the Secretary of Family and Social Services; [405 IAC 2-9-6](#); filed Jun 10, 2002, 2:21 p.m.: 25 IR 3120; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

SECTION 15. [405 IAC 2-9-7](#) IS AMENDED TO READ AS FOLLOWS:

**[405 IAC 2-9-7](#) Medically improved disability**

**Authority:** [IC 12-15](#)

**Affected:** [IC 12-14-15-1](#); [IC 12-15-2-6.5](#); [IC 12-15-41](#)

Sec. 7. (a) In order to qualify for the Medicaid for employees with disabilities program after improvement of a medical condition, a recipient must meet the requirements in this section.

(b) The person must be a recipient of Medicaid under the Medicaid for employees with disabilities group described in section 6 of this rule who no longer qualifies for coverage under that category due to a medical improvement in his or her condition. The improvement of the condition must be verifiable by acceptable clinical standards; however, the disease, illness, or process must be of a type that, due to the nature and course of the illness, will continue to be a disabling impairment. A condition that has been resolved or a person who is completely recovered does not medically qualify for this program.

(c) The determination of whether a recipient meets the medical eligibility requirements for this category will be made at the time of the regularly scheduled annual redetermination for Medicaid by the county office: **either:**

**(1) when the Social Security Administration determines the recipient is no longer disabled according to 20 CFR 416.905 or 20 CFR 416.906; or**

**(2) at the time of the recipient's next medical review as determined by the Medicaid medical review team (MMRT).**

Determination of medical eligibility under this section is made by the ~~Medicaid medical review team~~ MMRT.

*(Office of the Secretary of Family and Social Services; [405 IAC 2-9-7](#); filed Jun 10, 2002, 2:21 p.m.: 25 IR 3120; readopted filed Sep 19, 2007, 12:16 p.m.: [20071010-IR-405070311RFA](#); readopted filed Oct 28, 2013, 3:18 p.m.: [20131127-IR-405130241RFA](#); filed Apr 8, 2014, 12:37 p.m.: [20140507-IR-405130533FRA](#))*

SECTION 16. THE FOLLOWING ARE REPEALED: [405 IAC 2-3-3](#); [405 IAC 2-3-10](#); [405 IAC 2-3-11](#); [405 IAC 2-3-13](#); [405 IAC 2-3-15](#); [405 IAC 2-3-18](#); [405 IAC 2-3-19](#); [405 IAC 2-3-20](#); [405 IAC 2-3-21](#); [405 IAC 2-6-1](#); [405 IAC 2-7-1](#); [405 IAC 2-7-2](#).

LSA Document #13-533(F)

Notice of Intent: [20131204-IR-405130533NIA](#)

Proposed Rule: [20140226-IR-405130533PRA](#)

Hearing Held: March 21, 2014

Approved by Attorney General: April 2, 2014

Approved by Governor: April 4, 2014

Filed with Publisher: April 8, 2014, 12:37 p.m.

Documents Incorporated by Reference: 20 CFR 416.905; 20 CFR 416.906; 20 CFR Part 416, Subpart K, Income; 20 CFR Part 416, Subpart L, Resources; 42 CFR 435.541; 42 CFR 435.603; 42 CFR 435.608; 42 CFR 435.1009; 42 U.S.C. 415(i); 42 U.S.C. 1382a; 42 U.S.C. 1382b; 42 U.S.C. 1382c; 42 U.S.C. 1382f; Section 1924 of the Social Security Act (42 U.S.C. 1396r-5)

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Posted: 05/07/2014 by Legislative Services Agency

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